

Request for City Council Action

Date: December 2, 2003

To: Council Member Lisa Goodman, Community Development Committee
Council Member Barbara Johnson, Ways and Means/Budget Committee

Prepared by: Djollie Crowther, Senior Housing Project Coordinator, Phone 612-673-5263

Approved by: Lee Sheehy, MCDA Executive Director
Chuck Lutz, MCDA Deputy Executive Director _____

Subject: Approval to Carry Year 2003 bonding authority forward into 2004 for multifamily purposes.

Previous Directives: There has been no previous directive concerning this carryforward.

Ward: Not applicable.

Neighborhood Group Notification: Not applicable.

Consistency With *Building a City That Works*: This action will permit us to carry bonding authority into next year, which will allow us to support remaining projects that require a 2004 closing.

Comprehensive Plan Compliance: Not applicable.

Zoning Code Compliance: Not applicable.

Impact on MCDA Budget: (Check those that apply)

- ☒ No financial impact
- ☐ Action requires an appropriation increase to the MCDA Budget
- ☐ Action provides increased revenue for appropriation increase
- ☐ Action requires use of contingency or reserves
- ☐ Other financial impact (Explain):

Living Wage / Business Subsidy: Not applicable.

Job Linkage: Not applicable.

Affirmative Action Compliance: Not applicable.

RECOMMENDATION:

City Council Recommendation: The Executive Director recommends that the City Council adopt the attached Resolution authorizing the carry forward of the City's housing revenue bonding authority for up to \$33,321,000 for Multifamily projects.

Background/Supporting Information:

Each year, the City of Minneapolis receives authority to issue housing revenue bonds in support of its various single family and multifamily housing initiatives. The total amount of tax-exempt bonding authority for 2003 is \$33,867,000. During 2003 on behalf of the City, the MCDA closed on a total of \$14,450,000 which included a remaining 2003 carry forward of \$14,297,000. The projects that closed in 2003 include Heritage Park Phase II (\$11,500,000) and East Phillips Commons (\$2,950,000).

The two projects noted above also required an allocation of 2003 tax-exempt bonds to complete the funding. Heritage Park Phase II required an additional \$393,000 and East Phillips Commons required \$153,000 from the Year 2003 allocation. This leaves a remaining balance of \$33,321,000 to carry forward in 2004.

Staff has several projects anticipated to close in 2004 and would like to carry forward the \$33,321,000 for multifamily projects. These potential projects must close no later than December 31, 2004.

To accomplish this carry forward action, the City must approve the attached Resolution, which declares the intended use of the funds for multi-family housing purposes and Single Family Mortgage Program. Staff is recommending that the unused portion of the 2003 tax-exempt bonding allocation be carried forward into the year 2004 and that it be designated for uses in connection with multi-family purposes as outlined above. Attached is a Resolution for City Council approval that authorizes and directs the CPED staff to take the steps necessary to assure that the bonding authority is carried forward into the year 2004.